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WITH REGARD TO THE IMPLEMENTATION
OF THE DECLARATION ON THE GRANTING
OF INDEPENDENCE TO COLONIAL
COUNTRIES AND PEOPLES

PITCAIRN

Working paper prepared by the Secretariat

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PITCAIRN 1/

I. GENERAL

1. Pitcairn is a Non-Self-Governing Territory in the South Pacific administered by the United Kingdom of Great Britain and Northern Ireland. It comprises four islands situated about midway between Australia and South America at 25° south and 130° west. Only one of the islands, also known as Pitcairn, is inhabited. It is approximately 3 kilometres long and 1.5 kilometres wide and has a land area of 4.5 square kilometres (452 hectares). Adamstown is the only settlement. The three uninhabited islands are Ducie, Henderson and Oeno. According to the most recent information, on 31 December 1993 the population was 65.

2. The Pitcairners have their own dialect, a mixture of eighteenth century English and Polynesian, with the former predominating since most of the island's contacts are with English-speaking countries.

II. CONSTITUTIONAL DEVELOPMENTS

3. A summary of constitutional developments in the Territory is contained in the previous working paper issued by the Secretariat on 4 March 1994 (A/AC.109/1179, paras. 4-8).

III. ECONOMIC CONDITIONS

4. The economy of Pitcairn is based on subsistence fishing and gardening and the sale of handicrafts and postage stamps. Since the population has been relatively stable, land use has varied little in recent years. Apart from the Adamstown settlement, which occupies approximately 24 hectares, land is classified as suitable for gardens or arable farming (117 hectares), forest (77 hectares) and non-arable cliffs and rock ledges (121 hectares). Land is family-owned and is usually passed on to successive generations, but the law allows for leasehold arrangements and "borrow" land. The Lands and Administration of Estates Ordinance provides, inter alia, for ownership and registration of land.

5. During 1992/93, Pitcairn incurred a budgetary deficit of $NZ 260,867. During this period, revenue amounted to $NZ 553,128 while expenditure totalled $NZ 813,995 (compared to $NZ 817,987 in 1991/92).

6. Pitcairn's main sources of income were the sale of postage stamps, as well as interest on the proceeds which are invested. Stamp sales declined from $NZ 424,060 1991/92 to $NZ 341,100 in 1992/93; interest and dividends fell to $NZ 290,445 from $NZ 466,906 for the previous period.

7. The Island Council plays the major role in identifying areas requiring expenditure of public funds and in determining priorities. The main expenditures during 1992/93 were as follows (corresponding figures for 1991/92

are given in parentheses): administration and miscellaneous, $NZ 397,157 ($NZ 371,800); postal and philatelic operations, $NZ 185,793 ($NZ 188,200); medical services, $NZ 54,750 ($NZ 90,700); education, $NZ 97,414 ($NZ 74,500); international communications, $NZ 33,713 ($NZ 36,800); and agriculture, $NZ 7,855 ($NZ 7,100).

8. Most imports are for home use, consisting mainly of cereals, eggs, fats, meats, milk, sugar, machinery, lubricating oil and building materials. Exports consist of handicrafts, fruits and vegetables, which are sold mainly to passing vessels. There are no customs tariffs in the Territory.

9. Responsibility for agriculture is vested in the head forester, who has two part-time assistants. Livestock consists of some 100 goats and poultry. A tractor with a driver is available for hire at $NZ 4 per hour to assist in garden cultivation. Seeds, fertilizers and pesticides are available at cost from the forestry department. Bees provide small quantities of honey for domestic consumption; their pollination of tree and garden crops has increased production.

10. Subsistence fishing is one of the main occupations of the islanders. Under the Fisheries Zone Ordinance of 1980, Pitcairn declared a 200-mile fisheries zone around the island in the hope of increasing its income by selling fishing licences. However, owing to Pitcairn's remoteness, very few agreements have been concluded so far. In 1992 a 200-mile Exclusive Economic Zone was also declared to protect the island's resources. During the period from 1 January 1989 to 31 December 1993 only two fishing licences were issued to foreign fishing vessels.

11. The most common species of fish caught around Pitcairn are rock cod, grey mullet, red snapper and mackerel. Lobsters and other shellfish are also caught and sold to passing ships.

12. Electricity is supplied by government-owned diesel generators. Two 50-kilovolt ampere (KVA) generators supply power for public lighting (including navigational lights) as well as for private homes in Adamstown. In addition, the Government operates two smaller generators (9.25 KVA and 8 KVA) to meet school and telecommunications requirements.

13. Pitcairn is surrounded by open ocean and has no sheltered bay for anchorage. Frequent difficulties encountered in unloading cargo and passengers led the administering Power to construct a jetty at Bounty Bay in 1977.

14. Vessels of one shipping company make approximately four scheduled calls per year on their run between New Zealand and Panama. Other cargo vessels make unscheduled calls. During 1993, a total of 45 cargo vessels, 4 naval vessels and 12 other vessels, 4 cruise ships and 25 yachts stopped at the island for varying periods.

15. In the past, several projects, including the construction of an airstrip for light aircraft, have been examined by the administering Power in order to improve Pitcairn's communications with the outside world. However, after

weighing the high costs of construction and maintenance of a runway against its limited use, it was decided that an airstrip could not be justified.

16. There are approximately 6.4 kilometres of dirt roads on Pitcairn, which are maintained by the community. In 1992 there were about 30 vehicles on the island, mostly motorcycles.

17. Postal facilities are available. In April 1992, the radio-telephone and telegraph service linking the Territory with the outside world was replaced by a satellite system which provides modern telephone, facsimile and telex services, thus giving Pitcairners greater access to the outside world. There are local telephone connections between private houses, the school and some public buildings.

18. The administering Power is preparing a management plan to address conservation issues on Henderson Island. The plan takes into account the isolation and remoteness of the Pitcairn Islands. The plan will be agreed to by the local authorities. 2/

IV. SOCIAL CONDITIONS

19. According to previous reports of the administering Power, there are no social problems of a racial or cultural nature on Pitcairn. Women and men have equal status; there are personal and corporate freedoms and Pitcairn's legislation meets the requirements of United Nations conventions on human rights.

20. The population of the Territory is self-employed. Allowances and wages are paid to members of the community who participate in local government activities and who perform communal services. Payment for casual work, usually for the local administration, is $NZ 3.35 per hour.

21. The quality of housing varies. Homes built or renovated since 1984, when a subsidized building scheme was introduced, have concrete or particle board floors and indoor bathrooms and kitchens.

22. A consumer's cooperative society, established in 1967, owns the only shop in the Territory and provides basic foodstuffs and staples and a limited supply of clothing, footwear, hardware, kitchenware, stationery and toiletries. During 1992/93, the cooperative society's turnover amounted to $NZ 101,180.

23. There is a well-equipped government clinic run by a registered nurse in cooperation with a church organization. Planning for a new medical centre has recently started. Dental officers visit the Territory occasionally. During 1993 professional services were rendered by five doctors travelling on ships which stopped briefly at the island. One minor operation was carried out aboard a cruise ship, and eight patients were sent to New Zealand for treatment.

24. The Government meets the cost of medical supplies and drugs. If medical treatment is required outside Pitcairn, compassionate grants or loans are available from public funds. There are no prevalent diseases, although a small

number of people are receiving treatment for diabetes. Most of the population has been immunized against poliomyelitis. A widow's benefit scheme was introduced in 1983/84. Pensions are paid to persons who are 65 years of age and over and a child benefit is paid to the parents or guardians of all children under 15 years of age.

V. EDUCATIONAL CONDITIONS

25. There is one school operated and financed by the Government. Education is free and attendance is compulsory for all children between 5 and 15 years of age. In 1993 there were eight girls and five boys attending classes. Instruction is in the English language and is based on the New Zealand standard curriculum. Post-primary education is conducted at the school by correspondence courses arranged through the New Zealand Department of Education. During 1993, three post-primary students attended school in New Zealand, two at the Government's expense.

26. A trained teacher (Education Officer) is recruited in New Zealand, normally for a two-year term. Internal examinations are conducted by the Education Officer and the Governor may prescribe external examinations and arrange for inspections.

VI. FUTURE STATUS OF THE TERRITORY

Consideration by the General Assembly

27. In a statement to the Special Political and Decolonization Committee (Fourth Committee) of the General Assembly on 12 October 1994, 3/ the representative of the United Kingdom stated that his Government continued to take seriously its obligations under the Charter of the United Nations to develop self-government in its dependent Territories and, in cooperation with the locally elected Governments, to ensure that their constitutional frameworks continued to meet the wishes of their peoples. The United Kingdom also took seriously its obligations towards the economic needs of its dependent Territories.

28. On 9 December 1994, the General Assembly adopted by consensus decision 49/421 on the question of Pitcairn.

Notes

1/ The information contained in this paper has been derived from a published official report of parliamentary debates of the House of Commons and from information transmitted to the Secretary-General by the Government of the United Kingdom of Great Britain and Northern Ireland under Article 73 e of the Charter of the United Nations on 16 September 1994 for the period 1992/93.

2/ United Kingdom, House of Commons, Official Report, Parliamentary Debates (Hansard), vol. 243, No. 106, 18 May 1994, pp. 462 and 463.

3/ A/C.4/49/SR.5, para. 28.

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COUNTRIES AND PEOPLES

CAYMAN ISLANDS

Working paper prepared by the Secretariat

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I. GENERAL 1/

1. The Territory of the Cayman Islands consists of three islands: Grand Cayman, Cayman Brac and Little Cayman. The latter two islands are also known as the Lesser Caymans. The Territory has a total area of approximately 260 square kilometres, divided as follows: Grand Cayman, about 195 square kilometres; Cayman Brac, 39 square kilometres; and Little Cayman, 26 square kilometres. George Town, the capital of the Territory, is located on Grand Cayman.

2. According to the results of the latest census of population and housing conducted in October 1989, the resident population of the Cayman Islands was 25,355, compared with 16,677 in 1979 when the previous census was taken. According to the latest estimates, as of 1 July 1994, the population of the Cayman Islands was 31,000. 2/ Sixty-three per cent of the inhabitants were Caymanians, including the Caymanian status holders.

II. CONSTITUTIONAL AND POLITICAL DEVELOPMENTS

A. Constitution

3. An outline of the constitutional arrangements set out in the Cayman Islands (Constitution) Order, 1972, as well as in the Constitution Amendment Order, 1994, appears in the working paper prepared by the Secretariat in 1994 (A/AC.109/1190, paras. 3-21). 3/

4. In brief, the Constitution provides for a Governor appointed by Queen Elizabeth II, whose responsibilities include all matters related to defence, external affairs, security and police. The Constitution also provides for a Legislative Assembly consisting of the Speaker, the Deputy Speaker, three official members (the Chief Secretary, the Attorney General and the Finance Secretary) and 15 elected members. It also provides for an Executive Council consisting of the Governor as its President, three official members and five members drawn from the elected members of the Legislature. The Legislative Assembly establishes a Finance Committee composed of all elected members of the Assembly and the Financial Secretary, to deal with all matters related to public finance. The Constitution includes provisions for holding territorial referenda on matters of territorial importance; such referenda can be held on any question endorsed by a resolution of the Legislative Assembly and adopted by a simple majority vote. The juridical system is based on English common law. There are two courts, the Summary Court (Lower Court) and the Grand Court. The Constitution provides for a Bill of Rights which stipulates the fundamental rights and duties of the individual. The Bill of Rights ensures that the European Convention on Human Rights and the International Covenant on Human Rights, of which the United Kingdom of Great Britain and Northern Ireland is signatory, are in force in the Cayman Islands. However, the clause on protection of freedom of conscience is not enforced in the Territory since, in the opinion of the territorial Legislature, it could subject the Cayman Islands to the infiltration of various religious cults.

B. Political parties and elections

5. There are no officially recognized political parties in the Cayman Islands. General elections for the elected seats in the Legislative Assembly are held every four years. In the last general elections of 18 November 1992, 12 of the 15 seats in the Assembly were won by a group of candidates known as the National Team. Three other seats were won by independent candidates. 4/

C. Public service

6. During the period under review, civil service salaries and benefits amounted to 54 per cent of the recurrent and statutory budget expenditure. As of 12 March 1993, the total number of civil servants was 1,594, of whom 1,047 were Caymanians and 547 non-Caymanians. The latter included 181 from the United Kingdom; 178 from Jamaica; 45 from the United States of America; 30 from Barbados; 29 from Trinidad and Tobago; 25 from Canada; 17 from Belize; 9 from Guyana; 8 from Nicaragua; 4 from Saint Lucia; 2 each from Cuba, Grenada, Honduras, India, Ireland and Saint Vincent and the Grenadines; as well as 1 each from Australia, the Bahamas, Colombia, Ghana, Norway, Pakistan, Panama, the Philippines and Sri Lanka. Of the existing 37 civil service departments, 25 were headed by Caymanians and 12 by foreign nationals. 5/ In September 1994, the number of established posts in the civil service was cut by 7.5 per cent, resulting in estimated annual savings of approximately CI$ 2.0 million to CI$ 2.3 million. 6/

7. On 9 May 1994, the Executive Council approved a 5 per cent salary increase for civil servants. Civil service pensioners and group employees also were included in that decision. The decision came into force on 1 June 1994. 7/

8. As of 31 December 1992, the Public Service Pension Fund stood at CI$ 6,244,560. The Fund's assets are invested in term deposits with local territorial banks at an annual interest rate of 4.875 per cent. 8/

III. ECONOMIC CONDITIONS

A. General

9. The main economic activities of the Cayman Islands are the financial sector, tourism, construction, the real estate business and local industry. International finance and the tourism industry provide substantial amounts of capital and foreign exchange and contribute significantly to economic growth.

10. Press reports indicate that during the 1993/94 financial year, economic activity in the Territory grew approximately 6.8 per cent compared with 4.0 per cent in 1992/94. 9/

11. It was also reported that a 3.2 per cent increase in the consumer price index was recorded in the Territory between June 1993 and June 1994. That increase was attributed to the following: growth in housing costs,

6.5 per cent; and a rise in transport and communications fares, 4 per cent, as well as in education and medical costs, 3.9 per cent. 10/

B. Public finance

12. In November 1994, on the recommendation of its Finance Committee, the Legislative Assembly approved the territorial budget for 1995 totalling CI$ 162.7 million. Major expenditure would include the following: capital development, CI$ 19.3 million; education, CI$ 17.7 million; finance and development, CI$ 16.9 million; tourism, CI$ 15.7 million; health services, CI$ 15.1 million; police, CI$ 8.9 million; environment, CI$ 6 million; social services, CI$ 5.9 million; and public works, CI$ 5.8 million. The budget would also earmark funds for the fire department, prison, community development, sports, youth and cultural programmes, customs and immigration, sister islands administration, and judicial and other services. The revenue, totalling CI$ 178.2 million, would include CI$ 167.4 million in recurrent revenue; CI$ 2.9 million in accumulated surplus brought forward from 1994; CI$ 4.6 million in revenue enhancement measures; and CI$ 3.3 million in loan proceeds. 11/

13. In his budget address to the Legislative Assembly on 4 November 1994, the Financial Secretary, Mr. George McCarthy, stated that the territorial "Government had achieved a considerable measure of success with regard to restoring fiscal budgetary balance" and that, "despite competition from other countries, the Cayman Islands were still able to attract a substantial amount of new business". The Financial Secretary particularly praised the financial sector for continued economic development in the Territory, cautioning, however, against the "strong influence of international occurrences" on the Caymanian economy. He announced that the Territory, along with other British dependencies, had been offered associate membership in the Association of Caribbean States and called upon the Legislature to "assess, with care and caution, the implications that might emerge from such membership". He concluded by emphasizing that in the light of the changing focus of international finance and increasing competition, the Cayman Islands should "carefully consider its position, ensuring that its offerings are aligned with the demands of the international community, while simultaneously being sensitive to the preservation of its well-earned reputation". 12/

14. According to press reports, 13/ the Economics and Statistics Office embarked on the preparation of the Cayman Islands balance-of-payments accounts. The territorial agency will be assisted by the Eastern Caribbean Central Bank in the completion of that exercise. It is expected that the Cayman Islands would be the first British dependent Territory to have undertaken the task of preparing that document without the direct involvement of the administering Power.

15. In October 1994, the Cayman Islands hosted the triennial conference of the Caribbean Organization of Supreme Audit Institutions (CAROSAI). The Governor of the Cayman Islands, Mr. Michael Gore, in his statement to the CAROSAI conference, said that there was a direct link between financial accountability and democratic government. He recalled that the Cayman Islands could trace its

independent audit function back to 1832, when the territorial Legislature passed a number of laws regarding the public financial accountability of the Government. 14/

C. Land tenure, agriculture, livestock and fisheries

16. As a result of a cadastral survey, commenced in 1971, all land in the Cayman Islands is registered under a modified system, known as the Torrence System, the basic principle of which is that the land itself, rather than title deeds, is registered. This ensures that land dealings can take place efficiently and simply, although land certificates are often loosely described as "title deeds" to property. A stamp duty of 7.5 per cent is levied on the sale and exchange of land or other real estate. The Land Registry is responsible for the registration of all land transactions, the collection of duty stamps on land transfers, mortgages and other legal documents and the maintenance of all land records and registry maps.

17. The Department of Agriculture is responsible for the regulation and development of the agricultural sector. It provides services in agronomy, veterinary medicine and surgery and sells supplies and equipment to users. The Government allows the duty-free import of equipment and other items for agricultural use only.

18. The Farmers' Market operations, run by the Cayman Islands Cooperative Society Ltd., are subsidized by the Government. The subsidy covers staff salaries as well as the majority of operating expenses. Improved accounting and payment procedures are encouraging more farmers to channel their produce through the Farmers' Market. Overall, the quality of produce is high and the prices are competitive with those of imported produce.

D. Tourism

19. During the period under review, tourism continued to be a major economic sector and an important source of foreign exchange in the Territory.

20. According to press reports, 15/ during the first six months of 1994, non-resident stay-over air arrivals totalled 175,872 compared with 147,886 for the same period of 1993. The leading market for tourist air arrivals continued to be the United States (80.7 per cent). Other tourists originated from the United Kingdom (5.1 per cent), Canada and other countries. Cruise-ship tourist arrivals for a day visit during January-July 1994 showed a moderate 4 per cent increase and totalled 308,417.

21. Tourist spending in the Cayman Islands in 1993 was as follows: air arrival stay-over tourists, approximately US$ 350 million (an increase of $55 million over 1992); cruise passengers, approximately US$ 40 million. 16/

22. According to press reports, 17/ on 16 November 1994 the Legislative Assembly approved an increase in the tourist accommodation tax from 6 per cent to 10 per cent effective 1 July 1995.

23. In July 1994, the Ministry of Tourism, Environment and Planning received a mandate from the Legislative Assembly to prepare a 10-year tourism development plan and a master port development plan to be submitted to the territorial Legislature in 1995. The document would aim at enhancing the development of the tourist industry in the Cayman Islands. 18/

E. Financial sector

24. The banking and trust industry has expanded considerably since its inception in the Territory in the early 1960s and has transformed the Cayman Islands into one of the world's leading offshore financial centres.

25. The territorial Government, through its Financial Services Supervision Department, enforces strict adherence of the Cayman Islands to the international regulatory standards as stipulated in the Basel Accord and the Vienna Convention for International Finance, as well as to the regulations contained in the Mutual Funds Law of the Cayman Islands and the Mutual Legal Assistance Treaty between the United Kingdom, the United States and the Cayman Islands. The Financial Services Supervision Department is responsible for the regulation of the entire financial sector, including supervision of banking, trust and insurance companies, mutual funds and company management operations.

26. As of 1993, there were 530 banks and trust companies, 370 captive companies and over 30,000 offshore companies registered in the Cayman Islands. The Territory is the second largest captive domicile in the world and the leading domicile for medical malpractice health insurance. 19/

F. Transport and communications

27. Transport, communications and other basic facilities continued to be of paramount importance to the economy of the Territory in terms of uniting the three islands and servicing the tourist industry and other activities of the business community.

Air

28. There are two Government-controlled airline companies in the Cayman Islands, Cayman Airways Ltd. (CAL) and Air Cayman Ltd. Both are registered in the Territory as ordinary resident companies.

29. Since 1990, CAL has been experiencing serious financial difficulties. During 1990-1994, CAL accumulated losses amounting approximately to US$ 42 million excluding the Government's subsidy. In 1993, the territorial Government embarked on a programme aimed at improving the standing of CAL, including such measures as restructuring of the airline and reduction of its fleet size and the number of flights and routes. As of the end of 1994, the financial situation of the airline was reported to have stabilized. However, the Government announced its continued conservative approach to CAL in order to allow the company to streamline its operations and to "demonstrate its ability to minimize the risk and cost to the Government and the public". 20/

30. Press reports indicate that in December 1994, Caledonian Airways, a charter subsidiary of British Airways, began regular weekly direct flights from London to Grand Cayman. 21/

31. According to press reports, the territorial Government, in cooperation with the administering Power, embarked on the implementation of a territorial aviation security programme adopted by the Caymanian Legislature in January 1994. The programme sets out guidelines and regulations covering all security aspects at Owen Roberts and Gerrard Smith airports. In June 1994, experts from the United Kingdom Department of Transport visited the Cayman Islands and conducted a full inspection of the two airports. The Governor of the Territory, following recommendations made by the British experts, announced the establishment of the National Aviation Security Committee of the Cayman Islands, which would be responsible for all aspects of aviation security and safety. 22/

Sea

32. All ports in the Territory come under the control of the Port Authority, a corporate body set up in 1976 and operating without governmental subsidy. The territorial Government guarantees Caribbean Development Bank (CDB) loans, but it is the Port Authority that repays them. In addition to managing all ports in the Territory, the Authority has other functions, including the establishment of markers and lighthouses, the control of berths, the establishment and control of transit sheds, the loading and unloading of vessels and the supervision of territorial waters.

33. The Territory is not served by any scheduled passenger lines, but a number of locally owned or locally registered vessels provide cargo service between the Cayman Islands and Miami and Tampa, Florida, the United States; as well as the Cayman Islands and Kingston, Jamaica, and Costa Rica.

34. In compliance with the Registration of Merchant Ships Law, which came into force in the Cayman Islands in 1992, owners of foreign-flag ships can register in the Territory and fly the Caymanian flag. According to press reports, there was a 42 per cent net increase in the gross tonnage of ships in the Cayman Islands register during 1993-1994. 23/

Roads

35. The road infrastructure comprises 80 kilometres of roads connecting all districts on Grand Cayman, 34 kilometres of usable roads on Cayman Brac and a road on Little Cayman. Roads on Grand Cayman and Little Cayman are fit for motor travel.

36. In 1993, the Public Works Department undertook a road and traffic survey of the Territory in order to determine the status of the roads and traffic dynamics. It is expected that maintenance costs of approximately CI$ 2 million would be required over 1995-1999 in order to prevent roads from deterioration. 24/

Telecommunications

37. Since 21 January 1994, a high-technology United States radar station has been operating in the Cayman Islands. The radar station is connected with the Caribbean Basin Radar Network (CBRN) used for aerial drug-trafficking surveillance and related law enforcement coordination, as well as civil aviation coordination among the United States, Caribbean, Latin American and Central American countries. 25/

38. The territorial Government continued to implement its policy for Radio Cayman aimed at prevalence of local programmes in the air. Local and overseas radio staff training programmes were approved by the Radio Cayman officials in order to accomplish those localization aims. 26/

39. Television franchises issued by the Government to four companies for public broadcasting in 1993 continued to be in effect during the period under review. The licensees provide at least one free television channel to residents of the Territory. According to the terms of agreement, the licensees pay the Government 7.5 per cent of their gross revenue. 27/

40. In 1994, the number of subscribers to the Cayman Islands Television Network (CITN) cable service exceeded 4,000 with a package of 20 television channels. Describing the growth in the number of subscribers in 1993-1994 as "phenomenal", the Managing Director of CITN noted that the majority of subscribers were individual households. 28/

G. Assistance from the United Nations system of organizations

41. Within the United Nations system, the United Nations Development Programme (UNDP) continues to be the main source of technical assistance to the Territory. In response to the need for skills to support an expanding service-oriented economy, the second country programme (1987-1991) focused on human resources development. Fellowships and in-service training accounted for some 83 per cent of programme resources. Eight out of 13 implemented projects were agency-executed, involving the Department for Development Support and Management Services of the United Nations Secretariat, the United Nations Centre for Human Settlements (Habitat), the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the International Civil Aviation Organization (ICAO) in the following: administration of fellowships; provision of technical advice; and procurement of equipment for civil aviation, broadcasting and the water sector. In the third country programme (1992-1996), UNDP will assist the Government in the areas of fiscal administration, education, agriculture, social services, manpower planning and human resources development, as well as economic planning and management.

IV. SOCIAL CONDITIONS

A. Labour

42. The labour force in the Territory is made up of both Caymanians and expatriates. Foreign workers must acquire work permits from the Immigration Department in order to work in the Territory. As of 30 June 1993, the labour force of the Cayman Islands numbered 17,165, of whom 10,635 were Caymanians and 6,530 were non-Caymanians. The breakdown of the labour force according to labour category and nationality of the workers, i.e., Caymanians vs. non-Caymanians, respectively, was as follows: managers, 1,090 Caymanians and 550 non-Caymanians; professionals, 595 and 765; technicians and associated professionals, 1,810 and 995; office clerks, 1,280 and 240; customer service clerks, 840 and 230; personal service workers, 1,200 and 960; salespersons, 495 and 200; skilled agricultural and fishery workers, 195 and 0; craft and trade workers, 1,515 and 1,080; plant and machine operators and assemblers, 465 and 155; elementary sales, services and labourers, 1,105 and 1,150; and other, 45 and 215. As of November 1994, 208 persons in the Cayman Islands were unemployed. 29/

43. As of February 1993, there were 11,059 gainful occupational licences in effect. The foreign labour force is made up of nationals of Jamaica, Honduras, the United States, Canada and the United Kingdom. According to press reports, on 12 January 1994, the territorial Government introduced new annual work permit fees which increased by 66 per cent, compared with 1993. As in previous regulations, the work permit fees do not apply to the following occupational licensees: ministers of religion, teachers, nurses, as well as persons working for non-profit, cultural, educational or charitable organizations. 30/

44. On 1 August 1994, the Executive Council established a Manpower Development Advisory Committee. The purpose of the Committee is to advise the Government on the dynamics in the territorial manpower requirements. The Committee will focus on the implementation of the territorial programme of "Caymanisation of positions in public and private sectors of the economy". The Executive Council emphasized that "moving Caymanians upward was the only avenue to achieving sustainable socio-economic development and long-lasting labour tranquillity". 31/

B. Public health

45. Health care in the Cayman Islands is provided by the Health Services Department, which is responsible for all government health care, including public health services and services by private practitioners. The Health Practitioners Board is charged with overseeing the standard of health care provided in the Cayman Islands. There are two divisions of public health services: one encompasses community health service, primary care through the district health centres and functions specified in the health laws, programmes which are supervised by the Medical Officer of Health; the other division covers the environmental health concerns of the Territory.

46. The Government operates the 52-bed (including 7 nursery beds) Cayman Islands Hospital and an 8-bed extended-care unit at the Pines Retirement Home on Grand Cayman, and the 10-bed Faith hospital on Cayman Brac. In addition, primary care is provided through four district health centres on Grand Cayman. There is sustained utilization of district health centres. A new hospital is being built at George Town.

47. On 21 June 1993, the Cayman Islands Legislative Assembly unanimously adopted a bill on health fees in the Territory. The bill stipulates that Caymanian schoolchildren, public officers, government pensioners, retired members of the Legislative Assembly and patients who are being treated for acquired immune deficiency syndrome (AIDS) and tuberculosis would enjoy free medical care. 32/

48. The Government Information Services announced that as of 15 October 1994, 34 persons (18 male and 16 female) in the Cayman Islands had AIDS. The majority of the persons infected with the disease are between the ages of 25 and 29. Fifteen deaths resulted from that disease. In October 1994, the territorial Government in cooperation with the Pan American Health Organization (PAHO) organized a workshop on the management of human immune deficiency virus (HIV) infection and AIDS. 33/

C. Crime and crime prevention

49. During 1993, there were 3,298 criminal offences reported in the Territory, 75 per cent of which were cleared up. 34/

50. During the period under review, a significant number of criminal offences was related to drugs transshipments through the Cayman Islands from Central and Latin America to the United States and Canada. According to the Superintendent of the Drugs Task Force, a vast majority of drugs transshipped via the Cayman Islands originate from Honduras and Jamaica. In September 1994, the territorial Government purchased a high-technology interceptor boat to prevent drugs importation and transshipment. 35/

51. On 10 November 1993, the Governments of the United Kingdom and the United States signed a memorandum of understanding establishing a joint United Kingdom/United States team of law enforcement officers to investigate cases of fraud and financial crime affecting the United States, the United Kingdom and their dependent Caribbean Territories. 36/

D. Other developments

52. On 17 October 1994, the territorial Government established a Pension Advisory Committee which would regulate private pension funds. The responsibilities of the Committee include review and formulation of territorial pension legislation. 37/

V. EDUCATIONAL CONDITIONS

53. Education is free and compulsory for Caymanian children between the ages of 4 years, 9 months, and 16 years. There are nine government and six church-sponsored primary schools. There are two government high schools, a new middle school and two private secondary schools. As of March 1993, there were 294 schoolteachers and 14 assistant teachers in the Territory, of whom 104 were Caymanians. 38/

54. The Community College of the Cayman Islands is a government-financed, post-secondary and adult education facility, whose board is composed of government and public representatives. The College caters to over 1,000 students. It has a full-time staff of 12 and a part-time staff of 25. The work of the College is organized in three departments: business studies, hotel studies and technology. A new programme leading to a certificate in professional cooking began in September 1993. 39/

55. The International College of the Cayman Islands, a private independent institution of higher education, with one campus at Newlands, Grand Cayman, and another at Miami, Florida, is accredited as a senior college by the Accrediting Commission of the Association of Independent Colleges and Schools, Washington, D.C. The institution offers a Master of Science degree in management, Bachelor of Science and Associate of Science degrees and one certificate.

56. The Cayman Islands Law School offers Caymanians an opportunity to qualify locally in a profession that plays an important role in the modern development of the Territory. The attorney-at-law course, which forms the main part of the law school's curriculum, is of five years' duration, with examinations at the end of each year. In addition, an opportunity to study law is offered through a wide variety of courses, including a two-year diploma course in legal studies intended to enhance career and promotional opportunities for Caymanians.

57. In April 1993, the Cayman Islands joined the West Indies Distance Teaching Enterprise, which allows students to take part in tutorials and lectures via leased telephone lines. 40/

VI. PARTICIPATION IN REGIONAL ORGANIZATIONS AND ARRANGEMENTS

58. The Government of the Cayman Islands cooperates directly with other Governments in the Caribbean and participates in regional conferences and projects for the Caribbean region established by Governments, international organizations and agencies. The Territory is a member of the Caribbean Development Bank (CDB).

59. The Cayman Islands, together with 18 other countries of the region, is a member of a Caribbean customs agreement entitled The Memorandum of Understanding regarding Mutual Assistance and Cooperation for the Prevention and Repression of Customs Offences in the Caribbean Zone, aimed at preventing drug trafficking, smuggling of funds, money laundering, false invoicing and other crimes.

60. The Cayman Islands is a member of the Caribbean Organization of Supreme Audit Institutions (CAROSAI), which provides assistance in streamlining auditing standards and computer audits. In July 1991, the Cayman Islands Auditor General was elected a member of the Executive Board and appointed Chairman-elect of CAROSAI for the period 1994-1997.

VII. FUTURE STATUS OF THE TERRITORY

Position of the territorial Government

61. During the constitutional review held in the Territory during 1991-1993, the population of the Cayman Islands expressed the sentiment that the existing relations with the United Kingdom should be maintained and that the current status of the Territory should not be altered. That position was reiterated by the territorial representatives on several occasions, including at a meeting between members of the Executive Council of the Cayman Islands and the Vice-Chairman of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples held at United Nations Headquarters in April 1993, as well as at a conference on British dependent Territories held in London in November 1993. That position remained unaltered during the period under review. 41/

Position of the administering Power

62. In a statement before the Special Political and Decolonization Committee (Fourth Committee) of the General Assembly on 12 October 1994, 42/ the representative of the United Kingdom stated that his Government continued to take seriously its obligations under the Charter of the United Nations to develop self-government in the dependent Territories and, in cooperation with the locally elected Governments, to ensure that their constitutional frameworks continued to meet the wishes of their peoples. His Government also took seriously its obligations in responding to the economic needs of its dependent Territories. He pointed out that many elected Governments in the United Kingdom dependent Territories expended considerable effort to attract foreign investment, recognizing its benefits, and underlined that the United Kingdom supported that effort, both materially and in spirit. He emphasized that it was ultimately for the peoples of the Non-Self-Governing Territories to decide their future status.

Action of the General Assembly

63. On 9 December 1994, the General Assembly adopted resolution 49/46, a consolidated resolution on nine Territories, including the Cayman Islands.

64. In resolution 49/46 B, section V, the General Assembly requested the administering Power to provide the territorial Government with all required expertise to enable it to achieve its economic aims; urged the administering Power, in consultation with the territorial Government, to continue to facilitate the expansion of the current programme of securing employment for the local population, in particular at the decision-making level; and called upon

the administering Power, in consultation with the territorial Government, to continue to promote the agricultural development of the Cayman Islands. It requested the specialized agencies and other organizations of the United Nations system to continue and increase their programmes of assistance to the Territory with a view to strengthening, developing and diversifying its economy; also called upon the administering Power, in cooperation with the territorial Government, to continue to take all necessary measures to counter problems related to money laundering, funds smuggling and other related crimes, as well as drug trafficking; and noted that a period of 17 years had elapsed since a United Nations mission visited the Territory and again called upon the administering Power to facilitate the dispatch of such a mission as early as possible.

Notes

1/ The information contained in the present paper has been derived from published reports.

2/ United Nations, Population and Vital Statistics Report, Statistical Papers, Series A, vol. XLVI, No. 3 (ST/ESA/STAT/SER.A/190), p. 6.

3/ See also Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 23 (A/9023/Rev.1), vol. V, chap. XXIV, annex, sect. B, paras. 5-13.

4/ The Caymanian Compass, 20 November 1992; Caribbean Insight (United Kingdom), December 1992.

5/ The Caymanian Compass, 18 June, 16 March and 3 September 1993.

6/ The local currency is the Cayman Islands dollar (CI$). Under the Articles of Agreement of the International Monetary Fund (IMF), parity of the Cayman Islands dollar to the United States dollar is fixed at CI$ 1.00 = US$ 1.20.

7/ The Caymanian Compass, 11 May 1994.

8/ Ibid., 13 October 1993.

9/ Ibid., 11 and 24 November 1994.

10/ Ibid., 10 August 1994.

11/ Ibid., 7 and 29 November 1994.

12/ Ibid., 7 and 8 November 1994.

13/ Ibid., 18 November 1994.

14/ Ibid., 25 October 1994.

15/ Ibid., 27 July 1994.

16/ Ibid., 21 January 1994.

17/ Ibid., 21 November 1994.

18/ Ibid., 25 July 1994.

19/ Ibid., 18 November 1993.

20/ Ibid., 18 July 1994.

21/ Ibid., 1 July 1994.

22/ Ibid., 20 July 1994.

23/ Ibid., 11 December 1994.

24/ Ibid., 12 August 1994.

25/ Ibid., 25 January 1994.

26/ Ibid., 11 May 1994.

27/ Ibid., 20 November 1993.

28/ Ibid., 25 July 1994.

29/ Ibid., 2 July 1993 and 24 November 1994.

30/ Ibid., 14 January and 21 February 1994.

31/ Ibid., 2 August 1994.

32/ Ibid., 23 June 1993.

33/ Ibid., 18 October 1994.

34/ Ibid., 28 January 1994.

35/ Ibid., 3 September 1994.

36/ Ibid., 19 November 1994.

37/ Ibid., 19 October 1994.

38/ Ibid., 16 March 1993.

39/ Ibid., 28 April and 1 June 1993.

40/ Ibid., 23 April 1993.

41/ The Caymanian Compass, 10 December 1993.

42/ A/C.4/49/SR.5, para. 28.

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Working paper prepared by the Secretariat

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UNITED STATES VIRGIN ISLANDS

Working paper prepared by the Secretariat

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UNITED STATES VIRGIN ISLANDS 1/

I. GENERAL

1. The United States Virgin Islands is situated 75 kilometres east of Puerto Rico and comprises about 50 islands and islets, the largest of which are St. Croix (218 square kilometres), St. Thomas (73 square kilometres) and St. John (52 square kilometres). The capital of the Territory, Charlotte Amalie, is located on St. Thomas.

2. According to the latest census, taken in the United States Virgin Islands in 1990, the population of the Territory was 101,809 (St. Croix, 50,139; St. Thomas, 48,166; and St. John, 3,504). Females outnumbered males 52,599 to 42,210.

3. The climate of the Territory is subtropical and is moderated by the trade winds. The Territory has an average annual rainfall of 114 centimetres (45 inches) and lies within the hurricane zone. In September 1989, Hurricane Hugo struck the Territory and caused extensive damage, estimated at over US$ 1 billion, to the Territory's infrastructure and its residential, commercial and tourist facilities 2/ (for details, see A/AC.109/1029). The Territorial Emergency Management Committee (VITEMA) is responsible for the preparation of hurricane evacuation plans. VITEMA is being assisted by the United States Army Corps of Engineers, which has provided the agency with technical parameters of possible effects of hurricanes and the resulting evacuation of residents, debris removal and food distribution. 3/

II. CONSTITUTIONAL AND POLITICAL DEVELOPMENTS

A. Constitution

4. The Revised Organic Act of the Virgin Islands, 1954, as amended, 1968-1972, remains the Constitution of the Territory. The Government consists of three distinct branches: executive, legislative and judicial. The Governor, who is the chief executive, and the Lieutenant-Governor are elected jointly for a four-year term.

5. The Governor is responsible for administering all activities of the executive branch, including the appointment and removal of all staff, and executing federal and local laws, including the application in the United States Virgin Islands of those provisions of the Constitution of the United States of America that are not inconsistent with the islands' status as an unincorporated Territory of the United States. The Governor may recommend bills to the Legislature and veto any legislation, as provided in the Revised Organic Act.

6. The United States Secretary of the Interior has the power to appoint a federal comptroller for the Territory (who may not be a member of any executive department of the territorial Government) whose functions include improving the efficiency and economy of government programmes and auditing and supervising the use of federal funds. Since early 1983, the role of federal comptroller has been assumed by the Inspector-General, United States Department of the Interior.

7. In order to be eligible to register as a voter, a person must be a citizen of the United States, must be 18 years of age or older and must have been a resident of the Territory for 90 days. The Legislature is empowered to prescribe other qualifications provided that no property, language or income qualifications may be imposed and that no discrimination may be made on the grounds of race, sex or religious belief. The Absentee Voter's Bill, which was signed into law on 28 July 1972, provides for absentee voting procedures.

8. Since 1973, the Territory has sent a non-voting delegate to the United States House of Representatives. The delegate, whose term is for two years, is elected by majority vote.

B. Political parties and elections

9. There are three political parties in the Territory: the Democratic Party of the Virgin Islands (DPVI), which is the largest; the Independent Citizens Movement (ICM); and the Progressive Republican Party of the Virgin Islands (PRPVI).

10. General elections are held in the Territory every two years for the 15 seats in the Senate of the Virgin Islands, and for the Territory's delegate to the United States Congress and to the territorial Board of Education and Board of Elections. Elections for the office of Governor and Lieutenant-Governor are held every four years. The position of Governor is limited to two consecutive terms.

11. The general elections were held in the United States Virgin Islands on 8 November 1994. The number of registered voters totalled 50,985; 30,708 persons participated in the voting. 4/

12. The results of the elections to the territorial Senate were as follows: out of 15 seats in the Senate, 7 were won by the Democratic Party of the Virgin Islands (DPVI); 2 seats were won by the Independent Citizens Movement (ICM); 1 seat by the Progressive Republican Party of the Virgin Islands (PRPVI); and the 5 remaining seats by independent candidates. 4/

13. On 8 November 1994, none of the competing gubernatorial teams, or the candidates for territorial Delegate to the United States Congress received the required 50 per cent plus one vote. The run-off vote for those positions was held on 22 November, when independent candidates Mr. Roy L. Schneider and Mr. Kenneth E. Napp were elected Governor and Lieutenant-Governor respectively. On the same date, independent candidate Mr. Victor Frazer was elected United States Virgin Islands delegate to the United States Congress. 5/

C. Public service

14. The public service continued to be the largest single employer in the Territory. In December 1992, when data were last available, out of a total of 44,490 employed persons, government employees numbered 13,800 (770 federal and 13,030 territorial). According to press reports, in 1993 the average annual

salary of Government employees equalled US$ 25,860, which was 11.2 per cent higher than in the private sector. 6/

15. In 1994, the territorial Legislature adopted early retirement legislation which is expected to save the territorial Government approximately US$ 35 million in 1995 in reducing the number of public servants by over 2,500 persons. The early retirement law entitles every Government employee whose age and government service total 75 years to retire with full benefits. 7/

16. It will be recalled that in 1994, the territorial Government continued to have unsettled financial disputes with the labour unions representing public employees. The origin of the disputes lay in the refusal by the Government to implement a $64 million retroactive salary increase to public servants for the period 1992-1993 (see A/AC.109/1183, para. 21).

17. In August 1994, the territorial Government started a new round of negotiations with the representatives of 13 various unions representing Government employees with a view to settling the dispute. The Government offered a 4 per cent salary increase to all unionized employees for each of the fiscal years 1992, 1993 and 1994. In return the Government requested the unions to agree to the following conditions: to defer all retroactive payments until a non-recurrent source of funding is identified; to waive fiscal year 1995 salary increases; and to set aside all provisions of interest arbitration awards for fiscal years 1992, 1993 and 1994. The offered settlement is currently under negotiation. 8/

D. Other developments

18. During the period under review, discussions continued between the territorial Government and the Government of the United States over the transfer of Water Island (the fourth largest island) to the territorial Government following the expiration in December 1992 of the lease to private developers (see also A/AC.109/1109, paras. 39-41).

III. MILITARY INSTALLATIONS

19. The United States Navy currently maintains a radar and sonar calibration station and a headquarters building for its underwater tracking facility. There are permanent recruitment centres for the armed forces and a detachment of the United States Coast Guard on St. Thomas. The Virgin Islands National Guard is affiliated with the United States Army. The Territory remained a port of call for United States naval vessels and those of its allies.

IV. ECONOMIC CONDITIONS

A. General

20. The economy of the Territory is based on tourism and related services, construction and industrial development. The largest oil refinery in the western hemisphere, with a capacity of 700,000 barrels a day, is located in the United States Virgin Islands. The Territory is also a centre for international business and, since 1985 and as requested, has been the location of over 80 per cent of the United States foreign sales corporations. The development of agriculture continued to be a priority of the Government's overall policy of diversification.

B. Public finance

21. In December 1994, the territorial Legislature considered the budget for fiscal year 1995. The projected revenue is US$ 417 million against proposed expenditures of US$ 442.3 million ($385 million and $430.5 million, respectively, during fiscal year 1994). 9/

22. On 25 October 1994, the Legislature, voicing concern over the growing territorial fiscal deficit, requested the Government to present a "comprehensive report on all debts contracted by the Government for special funds for which no appropriations are required". The Legislature also required the Government to provide an estimate of the amount expected to be deposited in those funds for 1994 and 1995. It is expected that the report could be prepared by the middle of 1995. 10/

23. According to press reports, 11/ in September 1994 the federal Government completed an audit exercise in the United States Virgin Islands. The report prepared by the Inspector General's Office of the United States Department of the Interior criticizes the territorial Government for having mismanaged significant financial resources in connection with post-Hurricane Hugo construction projects. The report cites, inter alia, the following: seven contracts totalling US$ 4.5 million were not awarded competitively; four contracts totalling US$ 25 million were not awarded to the lowest bidders; no sufficient information was provided regarding 14 contracts totalling US$ 18 million; 118 construction change orders totalling US$ 4 million were issued without the proper documentation; the post-hurricane reconstruction programmes were not overseen properly, which resulted in substandard construction work in many instances; and the territorial Government failed to maintain accounting control over federal grants and bond proceeds totalling US$ 227 million for the Capital Improvements Programme. The report also disputes the spending of US$ 8 million out of a total of US$ 37 million granted to the Territory by the United States Department of Education for repairs of schools damaged by Hurricane Hugo. The federal audit report recommends that the territorial Government implement and document a competitive procurement procedure for all construction contracts, establish an effective construction inspection programme and strengthen the accountability of the Department of Finance.

C. Agriculture, livestock and fisheries

24. The policy of the territorial Government continued to be aimed at rebuilding the agricultural infrastructure by providing suitable land for the production of food and cattle and by offering suitable incentives to farmers and fishermen (see A/AC.109/1109, paras. 54-58).

25. According to press reports, 12/ in September 1994 the Senate Economic Development, Agriculture and Consumer Protection Committee held meetings on St. Thomas and St. Croix with local farmers. During those meetings, the farmers accused the territorial Government of neglecting the agricultural sector. They were particularly concerned with the continued negative effects of the drought and requested the Government to establish special programmes aimed at assisting the local farmers.

D. Industry

26. The industrial sector, which is based primarily on St. Croix, consists of heavy manufacturing industries such as oil refinery and aluminium production, as well as light industrial enterprises, which include watch-assembly companies and pharmaceutical, garment and electronic industries, all of which benefit from duty-free entry into the United States. The Territory also exports a significant quantity of rum to the United States. The territorial Government provides several tax and other incentives in order to encourage new industries to locate there.

E. International business

27. The Lieutenant-Governor continued to be responsible for the regulation and supervision of domestic and international banks, insurance and other companies. United States federal authorities also supervise United States banks and companies operating in the Territory.

28. During 1993, the territorial Government processed 17,401 licences for foreign companies and collected fees totalling US$ 776,184.

29. According to the administering Power, a cumbersome process of obtaining business permits continues to be a disincentive for investment in the United States Virgin Islands. Another major factor discouraging foreign investment is the perception of the Territory as a high-crime area. Finally, the insurance rates in the United States Virgin Islands, which are among the highest in the United States and its dependent Territories, minimize the return on capital employed.

30. In September 1994, the territorial Licensing and Consumer Affairs Department announced that approximately 800 businesses were operating in the United States Virgin Islands without licences. According to territorial officials, the Territory's treasury could collect an additional amount of US$ 240,000 in licence fees and US$ 40,000 in interest and penalties, if the

Government began "an aggressive licensing enforcement programme focusing on those businesses". 13/

31. In August 1994, nine companies addressed the territorial Development Commission requesting exemption from paying taxes on their employment-generating investments in the United States Virgin Islands. These companies also offered to invest US$ 11.2 million creating 165 additional jobs in the Territory if the Government introduces the requested tax exemption. 14/

32. According to press reports, 15/ on 1 June 1994 the Bank of Nova Scotia, the third largest bank in Canada, announced that it had purchased nearly all deposit liabilities and a significant portion of the loan portfolio of Barclay's Bank PLC in the United States Virgin Islands. The Bank of Nova Scotia had opened its first branch in the Territory in 1963 and, prior to the aforementioned take-over, had operated three branches on St. Thomas and four branches on St. Croix.

F. Tourism

33. During the period under review, tourism, a US$ 921 million business, continued to be a major factor of economic growth and an important source of foreign exchange. 16/

34. According to press reports, 17/ during January-August 1994 the number of cruise-ship one-day tourist visits totalled 852,998, a 3.2 per cent increase over the same period of 1993. The number of air stop-over arrivals, however, decreased by 5.8 per cent and equalled 480,754. The biggest tourist market continued to be the United States mainland, although arrivals from the Miami and Washington, D.C. regions declined. The fastest growing number of tourists originated from Argentina, Peru and Chile.

35. In October 1993, the territorial Government announced an Action Plan for the Development of the Tourist Industry. The Plan aims at maximizing involvement of the local population in the industry, particularly in management positions. Under the Plan, the Government would also allocate 2 per cent of annual tourism funding to training programmes; promote tourism awareness in schools; increase the tourism marketing budget to US$ 15 million; focus on crime prevention; improve tourist facilities throughout the Territory; encourage the private sector to train and employ local population; and promote the Territory as a tax-free yachting capital. 18/

G. Communications and basic facilities

Roads

36. According to the administering Power, the Territory of the United States Virgin Islands has an extensive road network. The federally aided system, which covers the primary system, is 431 kilometres in length. In addition, there are local roads that make up the secondary network. Private (subdivision) roads are

being turned over to the Government and are to be maintained by the Department of Public Works.

Ports

37. The United States Virgin Islands Port Authority (VIPA) operates and maintains a number of ports on St. Thomas, St. John and St. Croix. On St. Thomas, the principal facility is Crown Bay, which has three berths for cruise ships, two for container ships and small cargo ships, and a marina for 100 boats. The public wharf at Charlotte Amalie serves small passenger boats travelling between the United States Virgin Islands and nearby destinations in the Caribbean such as the British Virgin Islands and Puerto Rico. Charlotte Amalie also has cruise-ship facilities. Crown Bay has a container dock and roll-on/roll-off facilities. Cruz Bay on St. John has both passenger and cargo facilities.

Air

38. There are two airports in the Territory, the Cyril E. King Airport on St. Thomas and the Alexander Hamilton Airport on St. Croix. In October 1994, the Virgin Islands Port Authority received US$ 1.3 million for the Alexander Hamilton Airport expansion project, which includes paving of four acres of rump space and upgrading of the airfield lighting system and directional signs. 19/

Water supplies

39. The United States Virgin Islands rely principally on a salt water conversion process for most of their potable water supply. Production costs are significant and water conservation is of paramount importance. St. Thomas has a water demand of approximately 13.6 to 15.9 million litres per day. The desalination facility on the island, which utilizes waste heat from the electric power station, produces 13.6 million litres per day of potable water. This source is supplemented by a limited amount of rainwater. On St. Croix, where demand for water is between 11.4 and 12.5 million litres per day, the main sources of potable water are groundwater and desalination by distillation, with a production of 4.5 and 9.1 million litres per day, respectively. On St. John a reverse osmosis project, which provides the island with 0.7 million litres per day of potable water, has been completed recently. This eliminates the need to import, by barge, 50 per cent of the island's demand in potable water from St. Thomas.

Sewerage system

40. All three islands have waste-water treatment plants and sewage collection systems. In addition, a number of dwellings have individual waste-water disposal systems which are not connected to the main system. All waste-water treatment plants discharge effluent to either an inland stream or the ocean. The towns of Charlotte Amalie on St. Thomas and Christiansted on St. Croix, which have limited qualities of potable water, use salt water to rinse their sewerage systems.

Solid waste disposal

41. Solid waste handling and disposal in the United States Virgin Islands are managed under the direction of the Department of Public Works. Collection, landfill operations, recycling and litter control are of a reasonably high standard.

Power generation and distribution

42. The territorial Water and Power Authority, commonly referred to as WAPA, is an autonomous utility agency serving a total of approximately 45,000 customers on St. Thomas, St. John, Water Island, Hassel Island and the island of St. Croix. The system is managed by WAPA headquarters on St. Thomas. Major generating facilities are located on St. Thomas and St. Croix, with a stand-by facility on the island of St. John.

H. Public works

43. In December 1994, the territorial Department of Public Works completed 12 of the 16 projects of a US$ 165 million capital improvements programme. The completed projects include the following: Myrah Keating Smith Health Center; St. Croix Interim Modular Hospital's cistern; Ingeborg Nesbitt Clinic; Rivera Elementary School; St. Thomas Territorial Courthouse; St. Croix high school and vocational school; and St. Croix police headquarters, Brugal Distillery and Centerline Road on St. John. 20/

V. SOCIAL CONDITIONS

A. Labour

44. In 1993, the employed labour force in the United States Virgin Islands was 48,010 and the unemployment rate was 3.8 per cent. In 1994, the average annual salary in the private sector was US$ 23,256; in the public sector it was US$ 25,860 (US$ 20,155 and US$ 26,253, respectively, in 1993). 21/

45. According to the administering Power, the limited population of the United States Virgin Islands makes it difficult for the Territory's educational system to provide the various professional skills necessary to meet the demands of the economy. Critical skills can be imported, but the lack of a qualified labour force often impedes sustained growth.

B. Public health

46. The Virgin Islands Department of Health is responsible for the provision and management of health-care services for the Territory's residents and visitors. Although some services are provided by the private sector, the majority of services are provided by, through, or under the direction of the Department. The relatively high poverty level contributes to a lower health status of the population.

47. The geography of the Territory requires that each island have a self-contained health system. Similarly the geography of each island requires that primary care services be decentralized in order to get the services to residents within a reasonable time. The demography of the Territory represents a wide diversity. The immigration of families and individuals has resulted in an influx of illnesses not found in the United States. The emigration of young adults has resulted in the Territory's high proportion of children and older adults, two groups which are the greatest users of health care. According to press reports, the United States Virgin Islands, along with all other United States Territories, will participate in the health-care reform plan of the United States Government. 22/

48. There are two hospitals in the Territory, the St. Thomas Hospital and the St. Croix Hospital, both of which were completed in 1982. Both hospitals are medical centres, each with a 250-bed capacity.

49. It is reported that acquired immunodeficiency syndrome (AIDS) has become a major problem in the Territory. According to statistical data for November 1993, 150 persons were afflicted with AIDS, while 800 persons tested positive for human immunodeficiency virus (HIV). 23/

50. Tuberculosis is also reported to have become a major public health problem in the United States Virgin Islands. Owing to the lack of necessary equipment for the diagnosis and treatment of that disease, the establishment of a specialized tuberculosis clinic in the Territory is considered to be an urgent necessity. 24/

C. Social welfare

51. According to press reports, during the period under review, the poverty rate continued to grow in the Territory. In fiscal year 1994, welfare payments equalled US$ 4.9 million, a 5.2 per cent increase over fiscal year 1993. In 1994, food assistance totalled US$ 22.5 million compared with US$ 19.3 million in 1993. The average age of food assistance recipients was 28, and 58 per cent of them were female. 25/

D. Crime and crime prevention

52. Escalation of crime continued to be a major problem in the Territory. According to press reports, during 1990-1993 there were 25,620 violent crimes reported to the police, including the following: 78 murders, 350 rapes, 1,931 robberies, 3,223 assaults and 20,038 other violent crimes. In 94.2 per cent of cases no charges were filed. The average age of the criminals was 32; 93 per cent of them did not have a high school diploma; 97 per cent were male; 74 per cent had a prior arrest record. Juvenile crime continued to be a matter of concern; homicide is the number one cause of death among males between the ages of 15 and 30. 26/

53. According to the territorial officials, the United States Virgin Islands have become the primary drop-off point for the shipment of illegal drugs to the

United States. On 28 September 1994, the United States Senate designated the United States Virgin Islands along with Puerto Rico "a high-intensity drug trafficking zone". 27/

54. In accordance with the anti-crime legislation passed by the United States Senate in October 1994, the United States Virgin Islands would get US$ 51 million from federal funds for territorial crime prevention efforts. 28/

55. The administering Power indicated that the correctional facilities on both St. Croix and St. Thomas are seriously overcrowded. Press reports indicate that in October 1993, a group of prisoners at the St. Thomas correctional facility filed a $55 million class action lawsuit against the Government of the United States Virgin Islands, alleging violation of their constitutional and civil rights. The group referred to conditions in the facility as inhuman, citing such facts as overcrowding, rat infestation, sharing cells with mentally ill inmates, inadequate medical treatment and exposure to inmates with tuberculosis and AIDS. 29/

VI. EDUCATIONAL CONDITIONS

56. Education in the Territory is free and compulsory for children up to the age of 16 years. The Department of Education administers 44 schools: 25 on St. Thomas, 16 on St. Croix and 3 on St. John. The present condition of the public school infrastructure is reported to be of a high standard.

57. Education continued to be a priority of the territorial Government. The Department of Education currently operates under a comprehensive strategic plan introduced in the United States Virgin Islands in 1993. The plan aims at providing the local population with upgraded knowledge and skills adequate to the contemporary structure of the labour market. 30/

58. In October 1994, the United States Senate adopted an educational spending bill that allocates US$ 82.5 million to the United States Virgin Islands. The allocated funds are to be used to "develop programmes that will enhance student learning, increase the standard of education and improve the performance levels of all students". 31/

59. Post-secondary education is provided by the University of the Virgin Islands. The University provides programmes in agriculture, teacher education, business and resource management.

VII. PARTICIPATION IN REGIONAL ORGANIZATIONS AND ARRANGEMENTS

60. The United States Virgin Islands is an associate member of the Economic Commission for Latin America and the Caribbean (ECLAC) and its subsidiary bodies, including the Caribbean Development and Cooperation Committee (CDCC). In December 1992, at its fourteenth ministerial session, CDCC adopted the report of its Working Group on Non-Independent Caribbean Countries which was presented by the representative of the United State Virgin Islands who was Chairman of the

Working Group. 32/ At the session, CDCC adopted resolution 37 (XIV) entitled "Support for non-independent Caribbean countries' access to the United Nations system", by which CDC called on its Chairman, in consultation with the Chairman of the Working Group, to initiate contacts with the Chairman of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples with the aim of seeking formal collaboration between the two bodies in furtherance of the ongoing study by the Working Group on the access of non-independent Caribbean countries to the United Nations system. The Chairman of the Special Committee attended the ministerial session of CDCC and made a statement. He was accompanied by the representative of the Congo in the Special Committee of 24. The Territory continued to cooperate with other Caribbean and Pacific countries and to participate in conferences and programmes organized by Governments, international organizations and multilateral agencies of the region.

VIII. FUTURE STATUS OF THE TERRITORY

61. It will be recalled that, in accordance with the decision of the Governor, on 11 October 1993 a referendum on federal relations and future political status was held in the Territory; 10,710 persons comprising 31.4 per cent of the eligible voters in the United States Virgin Islands participated in that referendum. Published results were as follows: 80.3 per cent voted in favour of "continued or enhanced territorial status", 14.2 per cent supported "complete integration with the United States", and 4.8 per cent favoured "removal of United States sovereignty" (for details, see A/AC.109/1183, paras. 15 and 16).

Position of the territorial Government

62. Governor-elect Roy L. Schneider and Delegate-elect Victor Frazer stated repeatedly during the electoral campaign that their "position on status is one of representing the people". They emphasized that they would pursue any option on the future status of the Territory which would be favoured by the people and confirmed via popular consultations. 33/

63. In his inaugural address delivered on 20 January 1995, Governor Roy L. Schneider called for a change in the relationship between the Territory and the administering Power. He stated the following, inter alia:

> "We have created the winds of change for ourselves and we stand in the winds of change created by the others. The United States Congress has changed. The nation has changed, and we are invited to change our relationship with the federal Government ... We welcome this change as an open door to become self-reliant. The Territory can take charge of its affairs without sacrificing the protection or goodwill of the people of the United States. We embrace this change - a steady, reliable source of revenue based on our own products, without the need for ad hoc appropriations from the federal Government ... I welcome this federal invitation to change ... We can and we will stand on our own two feet ... Give us a chance to run our affairs with a reliable source of revenue from our own products. There need be no net loss to the federal Treasury. Let us set our own priorities ... That is the message I have from Washington.

I welcome this responsibility ... There will be greater autonomy for the people of the Territory. We need not fear the change in Washington. Let us welcome it." 34/

Action by the General Assembly

64. On 9 December 1994, the General Assembly adopted resolution 49/46, a consolidated resolution on nine Territories, including the United States Virgin Islands.

65. In resolution 49/46 B, section IX, the General Assembly reiterated its request to the administering Power to facilitate as appropriate the participation of the Territory in the Organization of Eastern Caribbean States and the Caribbean Community, as well as in various international and regional organizations, in accordance with the policy of the administering Power and the terms of reference of such organizations. It also requested the administering Power to assist the territorial Government in its efforts to balance the budget and to diversify the Territory's economy; invited the administering Power, as a matter of urgency, to facilitate the transfer of Water Island to the territorial Government; noted the purchase by the territorial Government of the assets of the West Indian Company in the Territory; requested the administering Power to continue to assist the territorial Government in crime prevention; and noted that a period of 17 years had elapsed since a United Nations mission visited the Territory and again called upon the administering Power to facilitate the dispatch of such a mission as early as possible.

Notes

1/ The information contained in the present paper has been derived from published reports.

2/ The local currency is the United States dollar (US$).

3/ The Daily News (United States Virgin Islands), 14 July 1994.

4/ Ibid., 9 November 1994.

5/ Ibid.; Beacon (British Virgin Islands), 24 November 1994.

6/ The Daily News (United States Virgin Islands), 4 August 1994.

7/ Ibid., 6-7 and 10 August 1994.

8/ Ibid., 6-7 August and 12 November 1994.

9/ Ibid., 24-25 and 30 September 1994.

10/ Ibid., 26 October 1994.

11/ Ibid., 22 September 1994.

12/ Ibid., 8 September 1994.

13/ Ibid., 8 September and 12 September 1994.

14/ Ibid., 27-28 August 1994.

15/ The Caymanian Compass, 8 June 1994.

16/ The Daily News (United States Virgin Islands), 11 October 1994.

17/ Ibid., 15-16 October 1994.

18/ Ibid., 13 October 1994.

19/ Ibid., 8-9 October 1994.

20/ Ibid., 9 December 1994.

21/ Ibid., 4 August 1994.

22/ Ibid., 23 September 1993.

23/ Ibid., 7 September 1993 and 21 November 1993.

24/ Ibid., 23 September 1993.

25/ Ibid., 7 and 24 October 1994.

26/ Ibid., 12 December 1994.

27/ Ibid., 29 September 1994.

28/ Ibid., 20 October 1994.

29/ Ibid., 6 October 1993; 17 October 1994.

30/ Ibid., 11 January 1995.

31/ Ibid., 7 October 1994.

32/ Economic Commission for Latin America and the Caribbean, Report of the meeting of the Working Group on Non-Independent Caribbean Countries (LC/CAR/G.386).

33/ The Daily News (United States Virgin Islands), 21 November 1994.

34/ Caribbean Week, 21 January-3 February 1995, p. 5.